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October 13, 2011

The Honorable State Representative Peter Lund, Committee Chair
Michigan House of Representatives Insurance Committee
374 Capitol Building
Lansing, MI 48909

RE: Opposition to House Bill 4936

Chairman Lund and Members of the House Insurance Committee:

Every scheduled hearing on Auto No-Fault, we have presented the committee with information on either vocational rehabilitation or non-traditional sheltered workshop employment, because it is what we do, it is what we know.

Today we are presenting you with some information that we have found that draws attention to the finances of the MCCA. Since we are not Certified Public Accountants, we did not want to misinterpret the various financial statements and reports that are available of the MCCA's website, so we asked a CPA to review the statements and reports for us. Upon her review, our CPA stated that, "It was impossible for me to give you my opinion as there was no information provided as to how the fund computed revenue, expenses, etc." She went on to say that, "Their report stated that the financial statements did not fairly represent statements prepared in conformity with generally accepted accounting principles of the United States, which is the method used by CPAs in preparing financial statements for their clients." The same findings were addressed by PricewaterhouseCoopers, LLP in their Independent Audit Report of the MCCA for the fiscal years ending June 30, 2010 and 2009.

After reading the findings of the CPA's, I am greatly concerned that the available financial statements of the MCCA are not an effective source of information to truly understand the financial situation and sustainability of the Association. When I read that the accounting practices used on the financial statements of the MCCA differ from accounting practices generally accepted in the United States of America, it brings a great deal of doubt to my mind, and I hope it does to your as well.

Based on this information, I feel it is imperative that the financial transparency of the MCCA be requested and reviewed thoroughly before any further discussion on Auto No-Fault take place. Until the facts are presented, the reality of the situation can never be known or fully understood. Given what is at stake here, proceeding forward without undisputed statistical and financial information is just wrong.

In closing, I ask that you please review the information in this packet, and all the information that has been presented to you. The best interest of Michigan residents must always be top priority. Please do not let this priority become forgotten or skewed, because of misleading financials, bloated projections, and overall secrecy of an Association run and regulated by the same and only people who stand to benefit from a change.